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SUBJECT: SOUTH AFRICA: JANUARY 2009 LABOR NOTES

Summary

11. This is the January, 2009 issue of the U.S. Consulate Johannesburg's Regional Labor Office monthly notes. Topics in this issue are as follows:

- ANC Hopes to Ban Labor Brokers
 - Johannesburg Metro Police Strike
 - COSATU Condemns the Congress of the People Party (COPE)
 - COSATU to Refuse to Unload Israeli Ship in Support of Gaza
 - COPE to Launch a Trade Union Body to Rival COSATU?
 - COSATU General Secretary Vavi Opts Not to Accept Public Office
 - COSATU North West Condemns the Attitude of Abusive Farmers
 - COSATU Western Cape Secretary to Resign
 - Mercedes to Spare Union Jobs
 - Lay-offs Loom in Mining and Other Sectors
 - South African Mine Safety Audit Made Public
 - Senior Executives Emigrate
 - SATAWU Blames ANC for Possible Bus Industry Collapse
- End summary.

ANC Hopes to Ban Labor Brokers

12. Minister of Labor Membathisi Mdladlana said that the ANC will ban labor brokers if the party wins the upcoming general election. Speaking at the National Economic Development and Labor Council Summit the Minister made reference to Namibian government success in outlawing brokers. Mdladlana said that brokers are detrimental because they avoid paying pension or health benefits and place a further strain on South African social services. He also said that permanent employment should be the norm for all South Africans. Chief Executive of Origin Consulting Marius Coleman countered that legitimate labor brokers are the norm and the industry is keen to clean up the bad image caused by a few unscrupulous operators. Business believes that legitimate labor brokers provide a stable and productive workforce and are a major contributor to the South African economy.

Source: Sowetan, December 15, 2008

Johannesburg Metro Police Strike

13. The Johannesburg Metro Police Department (JMPD) embarked on an indefinite strike starting February 1. The strike action culminates from the inability of the City and the SA Municipal Workers Union (SAMWU), assisting the officers, to agree to demands put forward by the union including the suspension of Chief of Police Chris Ngcobo and the Deputy Director of Internal Affairs for alleged corruption. Johannesburg City Spokesman

Mtathisi Modingoane said yesterday that the South African Police Service will be deployed to ensure there is no repeat of last year's JMPD strike when several people were injured after striking metro officers violently blocked major expressways. The strike and protests were approved by national authorities with the caveat that striking officers are not permitted to carry firearms or wear uniforms.

Source: Citizen, February 1, 2009

COSATU Condemns the Congress of the People Party (COPE)

¶4. The Congress of South African Trade Unions is distributing a booklet that strongly condemns the breakaway Congress of the People Party (COPE). The 14 page document written by COSATU General Secretary Zwelinzima Vavi is titled 'Defend our Movement: Advance the Gains of Polokwane! Expose and Isolate the Black DA' and alleges COPE will destroy COSATU if it is voted into office. The book also alleges that COPE could adopt a policy platform similar to the largely white Democratic Alliance party and legislate against leftist labor laws. Vavi accuses COPE president Mosiuoa Lekota and his deputy Mkhazima Shilowa of leaving the ANC to pursue an 'agenda of the capitalist class.' COSATU has printed numerous copies of the booklet to 'set the record straight, so that voters did not get confused.'

Source: The Star; Business Day, January 29, 2009

COSATU to Refuse to Unload Israeli Ship in Support of Gaza

¶5. The Congress of South African Trade Unions (COSATU) and the Palestine Solidarity Committee (PSC) have intensified a campaign 'in support of the Palestine people.' COSATU and its affiliate, the South African Transport and Allied Workers Union (SATAWU), have pledged to boycott Israeli ships. SATAWU has said they will not offload a ship from Israel that is scheduled to dock in Durban on Sunday, February 8, 2009. This follows the decision by COSATU to strengthen the campaign in South Africa for boycotts, divestment, and sanctions against 'apartheid' Israel. This will be the second time SATAWU has refused to unload goods from countries they classify as 'dictatorial and oppressive.' These include Israel, Zimbabwe and Swaziland.

Source: The Daily News (Pretoria), Feb 4, 2009

COPE to Launch a Trade Union Body to Rival COSATU?

¶6. Press reports suggest that COPE hopes to launch an affiliated trade union movement led by former COSATU President Willy Madisha. The union will reportedly focus on education and membership will be drawn from the South African Democratic Teachers Union (SADTU). The press further speculates that Madisha believes SADTU members are angry he was pushed out of COSATU and will quickly switch allegiance to COPE. Madisha has publically denied both his and COPE's involvement in forming a parallel teachers union but said that unionists no longer want to be divided on the basis of political beliefs.

Source: Mail & Guardian February 02, 2009 and Business Day, February 02, 2009

COSATU General Secretary Vavi Opts Not to Accept Public Office

¶7. The ANC welcomed Vavi's January 21 decision to withdraw his name from the ANC nomination list for a cabinet and/or National Assembly position. This was despite the fact a number of ANC and COSATU branches indicated they wanted Vavi 'deployed' to national leadership. ANC Secretary General Gwede Mantashe attempted to clarify rumors surrounding the withdrawal by noting Vavi's decision would help the union movement remain strong and independent. Vavi said that the COSATU executive committee made it clear he should not involve himself directly in the ANC government and should instead continue as a key member of the ANC governing tri-partite alliance. Vavi quipped that he was

proving his main critic --- Thabo Mbeki --- wrong. Mbeki had accused Vavi that COSATU campaign support for Jacob Zuma was not based on principle but on the fact that such support would net Vavi a cabinet position.

Source: The Citizen, January 22, 2009

COSATU North West Condemns the Attitude of Abusive Farmers

18. COSATU Secretary Solly Phetoe alleged that South Africa's North West Province remains a hotbed of agricultural labor abuse. Phetoe believes that the abusive activities are being led by 'some white farmers' near Lichtenburg and Mafikeng. COSATU organized a march outside the Ottosdal Magistrates court on January 12 to coincide with the appearance of Johan Nel in the court for allegedly shooting 16-year old student William Oupa Ntsaku more than three times in October 2008. Nel was accused by community members of being abusive to farm workers and community members view his abusive behavior as racially motivated. COSATU believes that Nel and many other farmers are violating the labor rights of workers. The Union is starting a campaign to push the South African Department of Labor (SADOL) to better enforce the Basic Conditions of Employment Act and to be the primary enforcer of farm workers rights. They next plan a protest against SADOL.

Source: NW SG General Solly Phetoe, January 26, 2009

COSATU Western Cape Secretary to Resign

19. The Western Cape's dynamic COSATU Secretary General Tony Ehrenreich plans to leave the federation in 2009. Ehrenreich said he had fallen out with COSATU and 'believes it's time to shake things up and change the way we conduct politics... we are running the risk of just having a new [ANC] crowd with no really change'. Other COSATU Western Cape affiliates have also echoed Ehrenreich and said their members support the values of the ANC but do not like the leaders or their actions. However, they do not support COPE because too many of its leaders are 'contaminated' by previous political actions and lack credibility. Ehrenreich wrote that the ANC should have a coalition partner that shares the kind of progressive agenda that advances the interest of the poor in the Western Cape. It is not clear whether Ehrenreich will run with COPE or form a new party that would help the ANC win back lost supporters.

Source: Mail & Guardian, January 23, 2009

Mercedes to Spare Union Jobs

110. Mercedes-Benz South Africa's plant in East London has begun a cost cutting restructuring program but has promised COSATU that it will not retrench any union members. The plant is one of the three in the world that exports the Mercedes C-Class to the U.S. (it's biggest) market. Mercedes remains the largest employer in East London and was unable to specify how many jobs were on the line.

Source: Sowetan and Star January 27, 2009

Lay-offs Loom in Mining and Other Sectors

111. Analysts have estimated substantial job losses in many sectors of the South African economy, with mining the hardest hit. The Department of Minerals and Energy has established a task force to investigate mitigation strategies that will protect the local mining industry from the global slowdown. The Chamber of Mines said that retrenchment will be a last resort but believed that over 9000 mining jobs are at risk in the next few months. The National Union of Mineworkers stressed that its priority is to defend jobs and is pushing the South African government to implement a moratorium on retrenchments. Trade Union Solidarity reported that it had received notice of 9163 possible retrenchments in mining. Solidarity held its first

section 89 consultation - which deals with retrenchments - with mining contractor Murray & Roberts over that company's plans to lay off 1,400 employees. Analysts cited the following other major corporate job losses and noted that more up to date figures will be released in late February 2009: Ford - 800, Arcelor Mittal - 200 contract workers, DRD Gold - 1700, Lonmin - 5500 plus 1400 contract workers, Uranium One - 1013, new car dealers - 3500, ABSA - 1210 and Mutual & Federal - 600. Source: Mining Weekly and Business Day, December 12 -17, 2008

South African Mine Safety Audit Made Public

¶12. National Union of Mineworkers (NUM) Secretary General Frans Baleni received confirmation from President Kgalema Motlanthe that the long awaited Presidential Mine Safety Audits reports will be made public. The audits were ordered by former president Thabo Mbeki after 3200 workers were trapped underground at the Harmny Elandsrand Gold Mine in 2007 by a falling pipe that damaged shaft infrastructure. The scope of the safety audit covers design and maintenance, safety risk management, legal appointments, and occupational health and safety policy. NUM stated that the safety audits are critical for NUM to focus its campaign on companies and mines `of concern.'

Source: NUM National Office, January 26, 2009

Senior Executives Emigrate

¶13. Senior executives have joined the ranks of those leaving South Africa, although young professionals and middle management still make up the bulk of those departing. Most senior executives cited concern with the high crime rate (an average of 50 people are murdered every day, among a population of 48.8 million). They were also concerned that robberies, break-ins, and holdups at businesses increased by 50% in the 2008 National Crime Report. Peter Gent, Chief Operating Officer of Rand Merchant Bank, said he was trying to recruit professionals overseas to work in South Africa because of an exodus of investment bankers, accountants and information technology specialists. Skills shortages have severely affected the public sector and the South African government is attempting to recruit engineers, doctors, and teachers from abroad. The First National Bank property gauge in October 2008 showed that 18 percent of people selling their property in the third quarter were doing so because they were emigrating, up from 9 percent in the fourth quarter of last year. Analysts say power cuts in early 2008 and a wave of xenophobic attacks in May contributed, as well as the changed political climate in which Thabo Mbeki was removed in September 2008 as the country's president. Corporate recruiters hope that the global recession might encourage some South Africans to consider returning home.

Source, International Herald Tribune, Dec 1, 2008

SATAWU Blames ANC for Possible Bus Industry Collapse

¶14. SATAWU reported that bus operators no longer had the funds to pay staff wages because of the ANC government's failure to pay monthly transport subsidies. SATAWU said the collapse of the bus sector is imminent and will cause both `chaos' and a `social crisis.' The union spearheaded an urgent application by the South African Bus Operators Association in the Pretoria High Court that calls for the government to pay the 1.2 billion Rand owed. SATAWU plans to call a national day of action jointly with COSATU if the court bid fails. Wage negotiations in the sector have been put on hold pending resolution of the crisis. Source: Business Day, January 29, 2009

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